

## Talking Geopolitics

### Geopolitics in the 21<sup>st</sup> Century | The Emerging World Order

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Podcast transcription

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Christian Smith:

Hello and welcome to the final episode in this Geopolitical Futures mini -series on geopolitics in the 21st century. I'm Christian Smith and on the series so far, we've discussed what the Russia -Ukraine war and tensions between the US and China will mean for the rest of the century and why geoeconomics will play such a big part in it.

Now, on this third and final episode in the mini -series, I'm joined once again by GPF Chairman and Founder George Friedman as we discuss nothing less than the reordering of the world. Over the past few years, the concept of a world in chaos has become something of a cliché. Right now, it's fairly easy to point to things like the wars in Ukraine and Gaza and global economic distress, not to mention a fading pandemic to back that case up.

But there are even more or less obvious signs that the world is going through an immense period of change. So on this final episode of the mini -series, we look at the big picture. Why is the world changing? How's it doing so? Where will all this take us?

George, first question, you've been advocating for this for a while that the world is in many ways making itself new. Why is it doing so? And also, why does that take us back to 1991?

George Friedman:

Well, it really is continually changing. Things are changing every year, every month. But sometimes the process speeds up. It could have several reasons.

One, a global war that has sucked up a lot of nations and it will change. The other simply coincidence is that there is heavy pressure from all directions and it changes. But the point is, this is not unique, this is the norm. It's what's supposed to happen is happening. It's just bloody.

Christian Smith:

So what's changed then between what was the situation in 1991 when this last happened and now?  
now?

George Friedman:

Well, 1991 matured. Russia was a basket case in 1991. The basket has gotten larger. China was at the beginning of its growth spurt. Now it's at the end of it, I'll argue, okay? So it's also more important to say, 1991 was an important year, but we really have to look at the 1970s for parallel to what's going on.

In the 1970s, we had the Vietnam War and Arab -Israeli War, that's this permanent feature. We had tremendous economic unrest in the sense that in the United States, unemployment is over 10%, inflation was well over 10%. It was a time of pain, partly because of the Arab -Israeli War.

The Arabs cut off the fuel to the west and that set it off. So when we look at the 1970s, we notice a number of things that are very similar to our time. Okay, you've got an Arab -Israeli War, you've got Russia returning as a dangerous feature that wasn't there in the 70s. And we have a feeling of everything breaking down.

As in the 1970s, not just the international system, but internal economics, internal politics, the United States has this crisis now, we had Richard Nixon back then, okay? So when you look at this notion of global change, you see patterns manifesting themselves and they're more similar than different. So if you accept that, then you can be prepared one, that is going to happen, and two, not be panicked by the fact that it does happen. But in fact, during such periods, panic is the norm in most countries. It's not the way it was last year, therefore, what the world is ending. And the politicians use it.

Now, the important thing to bear in mind is that this is different from 1940 -45 World War II. There, the change was interlocking. World War II was an interlocking event. It transformed the world, but interlocking. This is not, in the 1970s wasn't, an interlocking war. This is not one single phenomenon taking place. It is something that makes it much harder to see.

It is a, among other things, it is a technological shift. In the 1970s, the automobile was not obsolete. The automobile simply wasn't that exciting. You had one, you lived one. That's what the microchip is right now. Okay? We are talking via Zoom, and we are talking via a microchip, and 10 years ago, this would have been something special. Now, it's just another event. And technology is a good way to see it.

When you reach the end of a period in which a particular technology, electricity, you know, other things dominate, okay? Then you have major unrest. People get really concerned about it. Because what in the world is going to come? Well, it comes from deleting powers. And that means that we're in a verge of a new era.

So instead of being anticipating a new era, there's a sense of failure, that everything is failing. And that's what we're in right now. And especially on the technical front, where people are scrambling to find a successor to microchips. And they keep looking for more microchips.

Christian Smith:

So I mean, that's one of the characteristics. I want to ask you a question. Well, I want to go into some examples in a second, but you've prompted me there really, I want to ask you about the United States.

Because in your book, *The Storm Before the Calm*, you sort of set out these cycles that existed in the United States. And you suggested that what we're going through at the moment in the 2020s is the ending of two conjoining cycles. Why are these cycles so important in the United States? And then, of course, that's going to affect the rest of the world.

George Friedman:

The United States is an invented country. Okay, unlike England, unlike France, which are organic countries that have developed stably over the years, we're a country that was built out of nothingness through immigration, through massive movements of people into it, and through technological evolution. So we're different than the rest of the world.

Now, in this process, there has to be failure. Okay, in this process of extreme invention, you got to fail sometime. And so there is a period built into failure. What makes the difference for the United States from other countries is it's a periodic failure. We had the failure during the Great Depression, we had the failure after the Civil War, we had the failure today. So having these failures is built into culture.

And what we do during this period is rage at each other, blaming everybody, particularly politicians. And then some guy comes along and Henry Ford shows up with a car. Actually, what he did was show up with a car dealership. That's what he invented. They could also do repairs. The French developed a car but never could figure out how to build it.

So what we're having right now is that period, which the long term cycles and the short term cycles all gang up to move toward reconstruction, which appears to failure. So we're at a period where our economy has got to shake itself out. It's been going too far too fast.

We're at a period where the social tensions of immigration, which are very real in the United States, have to manifest themselves. And we are also at a period where the political system, the way it was constructed, just can't go on this way. Richard Nixon was our last example on Watergate. And what happened here is that the political system has reached a kind of gridlock with two figures dominating it, Biden and Trump, and neither being able to articulate what exactly is they're going to do, except they're going to do well. And so that means we're having a political shift.

So the United States does that, the rest of the world catches fire, simply because what the United States does, particularly technologically, but also militarily and everything else, is definitive. That wasn't the case of the founding, of course, it is now. And that means that the disease, which we have our period of disease spreads.

Because the question is, if the United States really stops paying its debts, what is the Italian economy going to look like? Now, you wouldn't make the direction connection, but of course it is. And the entire world is looking at this, and the Americans are having a jolly old time fighting over it.

Christian Smith:

Well, look, when you combine that ending of cycles in the United States and then what's going on the rest of the world, it sort of adds to this perception of chaos, I suppose. Let's look at a couple of these issues that you're actually following at the moment as well.

I mean, what are you keeping your eye on outside of the sort of obvious things that are making headlines like Gars are growing in Ukraine?

George Friedman:

Well, the most important thing is the Chinese implicit capitulation to the United States for economic reasons. The Chinese badly need investment capital. They built their boom, their original boom on American money, investments in companies buying American goods. Well, the President and President Xi met in San Francisco and they had a very nice meeting.

More important in the basement were a bunch of American businessmen because the fact is the United States can't make investments in foreign countries. They can't make much of an investment in the United States. So the key here is the relationship politically and militarily with the government and the relationship with business. So a problem that really was anticipated, which was economic failure in China now manifests itself as something vital.

Similarly, the European Union has got to get off the pot. What exactly are you guys doing? I'll say that way. The European Union had as its purpose a free market. Now, the problem was at the time a European free market appeared to be a tremendous thing, except that the European free market is now swimming in a world full of markets. They're no longer able to do what they want to do, match the United States and balance it out. The Europeans have a huge decision to make.

I always say, the first sign was that the Brits got out. The Brits have no one to get out, and they knew this was going to happen. You have many countries defying the EU. The EU cannot use one bank to handle both German and Italian currencies. So it's a range of things that are connected, yet not connected, and that one is a perfect one. Europe has not come out of this Ukrainian war, looking like it did before. It will come out much more uncertain and fragmented.

Christian Smith:

Speaking of things that look disconnected, and perhaps are really, what's going on in what you're hearing about Serbia and Kosovo, and then not too far away from that, what's going on in the southern Caucasus?

George Friedman:

Well, someone once said that all wars begin into Balkans, and there were reasons. The war we had in the early 1990s, where NATO in the United States bombed Serbia in order to save Kosovo, what they thought was Kosovo, that has now come to a head again. The Kosovo situation has not been settled. The Serbians have clearly reached a point where they're not prepared to live with the limits placed by NATO.

And therefore, what I've heard, and this is one of the rare things that I hear when he talks to me, both from a Hungarian and a very senior Serbian, is that we will be going to war. There's no way around it. Now, the Russians would love this because the Russians want one thing, the Americans to be worried about something else. The more worried they have with something else, the less they can deal with Ukraine.

So my theory is that the Russians would very much like this and I would if I were a Russian, but will the Americans give them the gift? Well, if Serbia attacks Kosovo and the perception is that they are committing genocide, as they were last time, then NATO has an obligation under America to do something. This will be the test of NATO. The Europeans are very, very tired of playing the Ukraine game. They are tired of the obligations they have under NATO.

They're certainly tired of dealing with the Americans as if the Americans were in Europe, all these things. And if that war comes, that's going to be one that in some ways, it's at the heart of Europe, even more than Ukraine does.

And this is one of the problems the Europeans face. Both NATO and the EU are up for question by the Europeans. Their problem is they have no answer. So they will get it. And this is a place that will be different. And talk to me about Turkey and Central Asia. They are increasingly becoming involved there in many ways to the detriment of the Russians and inserting themselves perhaps as a bit of a new power there.

What does that tell us about how the world is remodeling itself? Key is they're always having these shifts and wars. The world doesn't notice them or pay attention. Now it is because the Russians have a need. We should control their southern border. The southern border is in the Caucasus, and that's another place where they can be hit and they don't want to be hit again.

So they're shifting alliances away from, for example, one country to another into Azerbaijan, which is a much wealthier country. They were moving to Armenia.

Last week, the United States and the French, don't ask me why the French were involved, but the United States and French signed a treaty with Armenia, promising to transfer air defense systems and so on to them. Now this changes the reality in that region tremendously because it brings the United States back to a position it was during the Georgian War when the US was there, but directly places the US and NATO via France in a position of defending a former Russian state if they come into the south.

The Russians don't want to come into the south at all, but if there's instability or Americans, which is the same thing to the Russians, if there is that, they're going to have to carry out some sort of operation down there.

From the Russian side, they've been looking for opportunities to split America. The Americans just found an opportunity to split the Russians, where they have to not just look at Ukraine, but have to look at the south.

These are the standard geopolitical games that go on. It's not anything outstanding, but they're contributing to an air of uncertainty and imminent conflict that really is destabilizing additionally.

Christian Smith:

I think an area as well that I know you've written about recently and so have several people at Geopolitical Futures, is Iran. And it's something that I think many people would be taken aback by, particularly considering what's going on at the moment in Gaza with Hamas, is that Iran in many ways is, should we say, recalibrating the way it sees the world.

George Friedman:

Well, I think it's not recalibrating, it's maintaining its view of the world, which is they don't want to get mixed up.

At the beginning of the war, Israel couldn't figure out how this was mounted. And the assumption was made by the Americans, not by the Israelis that much, that Iran was behind it. But Iran has shown itself not only not to be behind it, but appalled by the war. They're not contributing anything.

The Iranians have many issues. They want to become a major power. They don't want to be just an Islamic power. They want to get out from under the burden of American sanctions and weapons and stuff like that. Part of what they did there was to reach out and show the world that they're reasonable, and especially the United States. Very early in the war, before the war even, they said to the Americans, I believe, it's not us.

And that raises the question, who is our friend? Who can we rely on in the Middle East? And Iran is the one that wants to be that. So they're not so much a new policy. They're pursuing an older policy that's been in place. They're also dealing with the Russians, which is to remind the Americans they've got options. But that's how you look at Iran.

Christian Smith:

We've sort of already talked about this a little bit, but perhaps there isn't an answer to it. Is there anything connecting all of this movement? I mean, could you say it's wider forces like economic distress and political shifts?

Is it stemming from the U.S.'s crisis itself? Or do these things happen organically on their own? And it just so happens that they're happening at the moment at the same time.

George Friedman:

The world was a relatively stable place from, say, 1991 to a year ago, two years ago. Here's the promise. That stability never lasts. Economic, technical, military issues arise. And they arise in different places because all these countries that have been stable, once instability starts, they become very excited. I know the British never get excited, but on occasion, when they see the numbers coming in, they get excited.

Well, what goes up must come down. Well, when up at the same time, it will come down at the same time, and they'll feed on each other psychologically and so on. They'll lead to war, but the idea here is, you know, when people started talking about Europe, they talked about it as if it was a done deal. It wasn't anywhere close to a done deal. It had to be redefined and so on.

Well, after somewhere in 10 years, 11 years, 12 years, it's going to come up. So all that's happening here is the issues that we thought were solved 10 years ago, which we almost never solved, really, are bubbling up again. And this is not an odd thing, and it certainly doesn't have to be connected to war, although frequently it is.

But it is simply that in every country that's been stable for 10, 15 years, instability has been entered. So stable nation -states are very uncommon because they're living with millions of people who have different interests, different desires, and they also have unpleasant neighbors. So when you put together all the different things and how economies change, you get these periods. So there's war when World War II is one thing. There's a direct war that's part of the other, which is the Israeli air war. And there's also the ongoing sense of deterioration that nations feel.

So for example, to me, Britain leaving the EU was a major event. The second largest economy in Europe said, "I don't want to be part of you anymore." And everybody said, "Well, the EU will go on as if it was nothing changed." Well, something got the British to leave. Some part of it is immigration, part of it was finance, but it was all of it, the necessary process of disintegration and reintegration that goes on in life.

Christian Smith:

In the interest of time, I'll move on to the next bit because the last sort of area I want to talk about in terms of how the world is changing. And this is something that I know what you're going to say to me, George. You're going to say to me, "Well, this happens all the time. Powers rise and fall, whether they're big deals or little deals, they rise and fall."

But we are seeing a rise, as you wrote back in your book, *The Next 100 Years*, we are seeing the rise of certain secondary powers if we want to call them that. I imagine they won't be very thrilled with that name. But countries like Turkey, Poland, and in particular, I think even India, and they definitely won't like being called that. They are rising. They are changing the landscape of the world. What do we need to watch out for as they grow and become more important?

George Friedman:

As Britain rose, we had to watch out for British ships coming in and taking us into all sorts of things. They're going to be like you were or I was. I said that there were three powers that that were going to rise. One was Poland, which is already showing signs of life. The other was Japan, which has now completely changed its national security policy and is equal power in the United States. And the third of it was Turkey, because I thought that Turkey bridging Europe and Asia would serve a financial purpose that would enrich them just as did the Ottoman Empire, okay?

Well, Turkey couldn't find its footing. I think partly internally, it was dealing with the question that it wanted to be a global power and an Islamic power, which requires disciplines inside that are tense. And so it had deep tension. Secondly, it had to do that the leadership wanted to preserve itself in a country that was extremely conservative. It didn't want to change.

And so Turkey has not yet reached that point. But when you look at a map and you look at the economies, you can't play the game without Turkey. Turkey will show up. But the important thing is to look back on your own country's history and see the point where they suddenly started emerging or not emerging.

And that's why I say not that everything is equal, but the same, but there's a process that goes on and where Ireland had to come independent of England. And it was a bloody problem, possibly. Well, we look at other secessionist areas. So we have to look at how we got here to understand how these secondary powers, as you called them, are going to grow here.

And the reason that they're not minor, not really secondary is, well, nobody's like the United States, China, Russia, in terms of size. Okay. Frankly, no one's like the United States. But outside of that area, there's tremendous relationships being built. India is certainly trying to emerge. But India has tried to emerge around 10 years and always ran into internal problems. But I think this time it'll do it. And that will make a big difference.

But the world has always filled with second rate powers to start wars. Okay, look at the wars, World War II, it was about invading Poland, which was not a major power. Such wars and such economic relationships are commonplace to transition phase. So we're seeing it.

Now, the trick is to make sure that it doesn't evolve into a world war, linking all the powers. But it really is important to understand that transition to different powers is a second rate first for a while. And then the United States shows up. Now, what I'm saying is there was a time when Britain regarded the United States as a secondary power. It was a time we didn't.

Christian Smith:

Well, let me pick up on something that you just said there, really, which is, with all of this put together, are you suggesting that we should prepare ourselves for more war, effectively, over the coming years, more than we've been used to in the last 30 years or so?



George Friedman:

Well, I think we've had plenty of wars in the last 30 years or so, just not happening. Well, some as more, you know, any war is too much war, but perhaps more than that. The issue is where it's located. The war that's located in Southeast Asia is minor. The war that's located downtown London, that gets more interesting.

So what we have to understand is war is an endemic part of the human condition. They don't like it, but it's there. Do we have to get ready for war is a question of what kind of war and where? Well, we already know one in the Middle East. We already know one on the Russian frontier between Russia and Poland. We know that inside of China, there's tremendous tension and attempts to quiet people, and we wonder what'll happen there. But in looking at it, the question is not, will we encounter a war? It's just, how will the current conflicts emerge? How will they rise? How do you contain them?

Now, one thing the United States has really rotten at is containing wars, because it jumps in. It's fun time, okay? And that's America is not mature enough to handle it. But it's the Europeans that should have the power to act prudently because they already understand war, but they're not in the position to jump in and put a stop to it. So right now, to go to your sort of metaphor, the adults are not in the room. And therefore, the probability of unrest spreading is clear.

Christian Smith:

I think when we talk about all of this, it can often be hard to wrap your head around it, but there are so many moving parts and changing interests. We haven't even talked about the changing interest of places like the Philippines, what's going on in places like Sudan and Niger.

So in many ways, it's hard to join all the dots, I suppose. The big question though is, and I'm going to ask you to make some form of forecast, but we are Geopolitical Futures, so it's in the name. But what will this remade world look like in a few decades once we, should we say, emerge from where we are right now?

George Friedman:

I think the nations that try to emerge may not make it. China may not make it to great power status. Russia is struggling to find its balance and get beyond it. Europe is, well, there's no place for Europe's place. American power emerged, and it's the kind of power that Britain had in the century long, or Rome. The United States is unique in the sense that its economy is staggering in size, its military capability equally so, and it's not tired.

Much of the great powers in history decline because their citizens are really tired of being a great power. The price was too high. That's the thing to watch, because the United States is not a great power, then there's very little balancing. But I think what we can look at is a world in which not the greatest power, United States, changes, but the secondary powers that are so crucial to the system and can grow into great powers, will they find their balance?

And when I look at the regions, look at China, look at India, look at Europe, it's hard to see how they find a balance in their population that would accept the price that has to be paid for this.

So I think the world will continue to look like it did, only more so. I suspect the US and the Russians will find a very interesting agreement on Ukraine, and that will also lead to deeper economic involvement. I don't think that Russia can stay in the position where the United States wants it to.

I think that China will have an internal problem because what happened was that Deng Xiaoping creating this boom has ended. And it's turned to the United States. This meeting was very much that. So what I see is the normal human condition that's been there for thousands of years, war, tension, unpleasantness, coup d'etats, killing kings. Yeah, that'll stay. But the order does not change that quickly. And I think that the United States will remain in dominant position, but increasingly under pressure to handle things it doesn't want to handle.

Christian Smith:

Well, George, in the interest of time, unfortunately, I think we better wrap up there with your concluding talk with us. Thanks very much for coming back on this mini series. And thanks very much out there for listening to this Geopolitical Futures mini series on geopolitics in the 21st century.

If you've got any questions at all, you can always go to the GPF website and contact us to ask. And of course, there will be lots, lots more like this on the Geopolitical Futures website. If you want to go there and subscribe.

But apart from that, I am Christian Smith. Thanks very much for joining us, and we will see you again sometime in the future.